

**Statement of Senator Conrad Burns  
Communications Subcommittee of the Commerce,  
Science and Transportation Committee  
Hearing on 271 Application Process  
March 25, 1998**

I want to welcome everyone here today for what promises to be both an informative and lively hearing on a topic that is as crucial as it is controversial: the Section 271 application process.

When Congress passed the Telecommunications Act in 1996, it intended that all Americans would have the same expanded opportunities and choices made possible by the revolution in advanced telecommunications. Congress did not envision a situation where only some Americans would benefit from these new services while others would not.

Congress obviously did not envision the situation we find ourselves in today. If you read the 1996 Act, you will find many 90-day deadlines. Yet here we are, more than two years after the law was passed and competition has yet to occur in the comprehensive way hoped for by Congress and the American public.

Since the passage of the Act, competitors have lined up to either criticize or applaud -- often depending upon who

they're talking to -- the success of the Act's attempt to stimulate competition in both the local and long distance telephone markets. Given the wide range of accounts by "experts" in the field, it's sometimes hard to figure out whether it was a tremendous success or colossal failure.

Last week, this Subcommittee held a hearing on Wall Street's assessment of the impact of the Act upon competition, and I wish that the Commissioners could have been here. It was a very informative hearing, and I hope that they will take the time to read the transcript. The witnesses were of the opinion that the Act itself represented a massive step forward, but regulatory hurdles and the "gaming" of the system are preventing the rapid buildout of new services for consumers.

At today's hearing we will be discussing, in particular, the major provisions of the Act that were designed to create competition in both the local and long distance telephone markets.

We've all read about the continuing legal saga over the FCC's "Interconnection" Order and its impact upon the development -- or frustration, depending upon who you're talking to -- of competition in the local telephone market. I'm looking forward to hearing the FCC Commissioners views on this matter, as well as the state regulators and

industry panelists' opinions. We may not get many expressions of complete agreement by the end of this hearing, but I am hopeful that we'll be able to narrow the range of issues in dispute.

I'm also looking forward to hearing the FCC's views on the various Section 271 applications that have been put forward and to learning about whether any of the applicants are becoming closer to receiving FCC approval. I appreciate the efforts of Chairman McCain and Senator Brownback, Commissioner Powell and others in trying to add certainty to this application process, and I look forward to hearing all the witnesses' thoughts on this matter.

I invite the Commissioners to stay after they give their testimony to hear the views of the State Commissioners and the industry panelists, as those folks are on the front lines of this debate.

Once again, I look forward to hearing all the witnesses' testimony, and I thank them for taking the time to appear here today.